

Girish Balachandran, General Manager: The future of RPU relies on Utility 2.0

Thirty years ago, Matthew Broderick starred in “Ferris Bueller’s Day Off,” and the world was riveted to the television, watching the Space Shuttle Challenger disaster. A land line was just a phone because we didn’t have cellphones. Now, Matthew Broderick, who starred as Ferris, is 53, and your phone is in your pocket and in your car, which also streams your entire music library and uses a satellite-based tracking system to get you places while your kids are in the back seat texting their friends. The car still has four wheels and an engine, but everything else is better, safer and more convenient.

You might think that not much has changed in the utility industry over the last 30 years. After all, you’re flipping on the switch or turning the faucet the same way you did 30 years ago. But our industry is changing dramatically. What used to be a power grid that was electrified by fossil fuels is changing to a renewable grid powered by solar and wind. In the first quarter of 2015, 75 percent of the new generating capacity in the U.S. was “fueled” by cheaper renewable power that, before we know it, will reach nearly every home. Energy storage, a technology that barely existed two years ago, will be commonplace in homes, and electric vehicles will just be “cars.” With the widespread adoption of solar, consumers of electricity are now producing electricity. The electric grid – a one-way grid for more than 100 years – is converting into a two-way grid.

Great changes also are underway on the water side of our business. The current four-year drought may be a harbinger of future shortages. The way we use water is changing and will continue to change in the coming decades. Our growing population will need more water. Recycled water and conservation will ensure that we reuse more and waste less. It’s the smart thing to do, and it’s very often the cheapest thing to do.

Riverside Public Utilities is an extremely well-run utility with AAA bond ratings; lower rates that translate into more than a \$100-million value per year to our customers; a resilient water supply that is among the best in California and honored as a Diamond Reliability provider by the American Public Power Association; and our lights stay on longer than most of Southern California.

But, like the industry itself, RPU faces great change. First, our infrastructure is aging and needs to be replaced. Utility infrastructure – pipes, poles, etc. – lasts 30 to 70 years. Pipe put in the ground and wires put on poles after World War II, when our population started to boom, are 50 to 70 years old and need to be replaced. In 2014, a ruptured pipe at UCLA flooded the campus. The city of Los Angeles replaces its water mains on a 300 year cycle, when the expected life of these mains is less than 100 years. We do not replace our mains on a 100-year cycle. We should.

Second, we need to join the 21st century to meet your expectations. Our entire system is basically reactive. Today, when the power goes off in your home, we don’t know about it unless you call. If you have a water leak, we don’t know about it until you call to complain about your high bill. While this worked in the 20th century, we need to be proactive in meeting your needs in the current century.

Dealing with our problems now means we won’t have to deal with them later, when they are more expensive and disruptive to us all.

Over the last year we’ve developed a plan to address this next phase of change, and we’re calling it Utility 2.0. The plan looks out 10 years, sets us on a path to catch up on infrastructure replacement and uses technology to join the 21st century. Implementing Utility 2.0 will keep us going strong. The City Council and Board of Public Utilities worked through several options before selecting one that they tentatively agreed upon. The next step is to communicate the plan to all of you and get your feedback before returning to the council with final recommendations.

I invite you to learn all about the Utility 2.0 plan and everything RPU is doing to plan for the future by visiting www.riversidepublicutilities.com/2.0. We are also planning to attend community meetings in the near future, where I look forward to speaking with you in person about our plans. Dates for those meetings will be listed on our website.

Riverside Public Utilities looks forward to continuing its long tradition of proactive, visionary planning and providing all our customers great service at affordable rates.

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